

VZCZCXRO3890  
OO RUEHAG RUEHLN  
DE RUEHCP #0282/01 1701040  
ZNR UUUUU ZZH  
O 191040Z JUN 09  
FM AMEMBASSY COPENHAGEN  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5017  
RUEHSM/AMEMBASSY STOCKHOLM 9020  
RUEHNY/AMEMBASSY OSLO 5575  
RUEHRK/AMEMBASSY REYKJAVIK 0487  
RUEHHE/AMEMBASSY HELSINKI 3902  
RUEHTL/AMEMBASSY TALLINN 1550  
RUEHRA/AMEMBASSY RIGA 0868  
RUEHVL/AMEMBASSY VILNIUS 1662  
RUEHWR/AMEMBASSY WARSAW 2123  
RUEHLN/AMCONSUL ST PETERSBURG 0351  
RUEHAG/AMCONSUL HAMBURG 0067

UNCLAS SECTION 01 OF 03 COPENHAGEN 000282

SIPDIS  
SENSITIVE

E.O. 12958: N/A

TAGS: [SENV](#) [PREL](#) [AORC](#) [ZB](#) [XZ](#) [DA](#)

SUBJECT: DENMARK HOSTS COUNCIL OF BALTIC SEA STATES MINISTERIAL

¶1. (SBU) Summary: Baltic region officials decided to continue efforts to make the Council of Baltic Sea States (CBSS) more focused on concrete projects to integrate the region's energy infrastructure and promote other links at a ministerial meeting on June 4 hosted by Denmark as outgoing CBSS president. Participants anticipated a Baltic region strategy soon to be released by the European Commission, and urged implementation of the EU Baltic energy interconnection plan and the Helsinki Commission Environmental Action Plan. Belarus, Spain and Romania were admitted as observers, joining the U.S. and others. The next CBSS Summit will be hosted by Lithuania in the summer of 2010. Observer states are not customarily invited to the biennial summits. End Summary.

¶2. (U) Background: REO observed the Council of Baltic Sea States ministerial meeting hosted by Denmark and held in Helsingor, Denmark, on June 4. The CBSS is a political forum for inter-governmental cooperation among the 11 Baltic sea states and the European Commission, created in Copenhagen in 1992. Since 1998, the CBSS has been supported by a permanent secretariat based in Stockholm. The CBSS presidency rotates among member states annually, and is capped by biennial summits or ministerial meetings. The last heads of state summit took place in Riga in June 2008. CBSS member states include Denmark, Estonia, Finland, Germany, Iceland, Latvia, Lithuania, Norway, Poland, Russia, and Sweden. Observer states included the U.S., France, Italy, Slovakia, Netherlands, Ukraine, and the United Kingdom.

¶3. (U) The biennial ministerial meeting, hosted by Danish FM Moeller as Denmark concluded its one-year presidency and prepares to pass the baton to Lithuania in July, was attended by Russian FM Lavrov, Norwegian FM Stoere, Estonian FM Paet, Icelandic FM Skarphedinsson, Latvian FM Riekstins, and Lithuanian FM Usackas. Finland was represented by its European Affairs Minister, Germany by its Minister for State for Europe, Poland by its Undersecretary of State, and Sweden by its State Secretary for Foreign Affairs, and the EC by its Vice President, Siim Kallas. A press conference was held afterwards with statements by officials recorded, but no independent press appeared to be present or questions asked.

¶4. (SBU) Highlights: General  
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-- A 15th Ministerial Session Declaration was agreed upon and issued (available at the CBSS website at <http://www.cbss.org/Summits-and-Council-Ministerials>).

-- The Helsingor Declaration highlights progress made in the areas of CBSS reform, external cooperation, environment, economic development, energy, education and culture, civil security and the human dimension (including a CBSS task force against trafficking in human beings).

- Denmark reported success implementing the Riga summit reform agenda, intended to convert the CBSS from a political dialogue to one more focused on concrete cooperation projects. This included revising the terms of reference of the CBSS and its Stockholm-based secretariat, which is funded jointly by all member states, according to formula.

- All members anticipated the submission within weeks by the EC to the Euro-parliament of a Baltic Sea strategy communication, and praised progress made on an EU-Baltic energy market interconnection plan, which all agreed should now be implemented.

- The EC representative said the Commission's much anticipated Baltic strategy would be released within weeks, and would create no new institutions and involve existing funds only. Five billion Euros from the EU recovery plan would offer some initial resources for projects to improve the environment, promote balanced development, and make the region safer and more secure, and more attractive to tourists.

- Several member states noted the importance of streamlining regional cooperation, while welcoming the imminent EC strategy to an existing Baltic institutional framework, consisting of the EU's Baltic energy interconnection plan and the 2007 Helsinki Commission on the Environment (HELCOM) Action Plan on the Baltic Sea environment.

- FM Lavrov cited Russian priorities in small business creation, innovative development, and the Baltic Sea environment, noting Russia is current president of HELCOM.

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- Germany offered to chair a new expert group on maritime traffic.

- Sweden noted its 650,000 Euro contribution to the work of the anti-TIP task force and praised the contribution of the nuclear and radiation safety expert group. Sweden reported that Latvia, Lithuania and Sweden are currently developing an energy interconnection by cable under the Baltic Sea. As incoming EU President, Sweden will work for the adoption of the EU Baltic Sea strategy communication.

- Iceland expressed appreciation for regional solidarity in this time of financial crisis, announced its government's intention to request the permission of its parliament to apply to join the EU (Denmark immediately offered its support), and noted Icelandic expertise in geothermal energy.

#### 15. (SBU) Highlights: Observer Issues

- Belarus, Spain and Romania were admitted as observers, joining the U.S., France, Italy, Slovakia, Netherlands, Ukraine, and the United Kingdom. Poland welcomed the three new observer states, and said the door to full membership should stay open but all must meet democratic and human rights standards.

- The CBSS secretariat will organize a meeting with observer state representatives in Stockholm in October. They will invite Embassy Stockholm to send representatives to that meeting to discuss how observer states can become more involved with CBSS projects and expert groups.

- Decisions on the applications of Belarus and France to become full members were deferred. (SBU Note: President Sarkozy's request for France to become a full CBSS member may involve an attempt at regional balancing of its Mediterranean initiative. End Note.)

- In a post-ministerial session with observer states, REO expressed USG appreciation to the Danish hosts, and to the CBSS for our observer status; we follow inter-governmental cooperation in the region with interest.

#### 16. (SBU) Highlights: Energy/Climate Issues

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- The Lithuanian FM cited the Nordstream undersea Baltic gas pipeline project as an example of one which divides rather than unites the region. In contrast, FM Lavrov praised the project as providing energy security to Europe and adhering to "strict (environmental) standards." He expressed surprise at "artificial complaints" by "some (unspecified) countries."

- Denmark emphasized the success of the Baltic Sea Region Energy Cooperation (BASREC) ministerial conference in February, where it was decided that BASREC would produce a statement on climate and energy issues to the COP-15 climate conference in Copenhagen in December.

-- The Norwegian and Danish FMs highlighted energy "greening" efforts (with the Norwegian touting carbon capture and storage (CCS), the Dane wind power) in the plenary session. Moeller stressed the technologies are "already in place to meet stronger targets (at COP-15)," with the exception of CCS.

-- FM Stoere said the recent CCS conference in Bergen would provide important input to COP-15. Norway's goal is to become an exporter of emissions-free gas fired electric power. He also noted that Norway will bring to COP-15 a message of urgency from the recent Tromso Arctic meetings on the need to reduce emissions of short lived climate forcers like black carbon (soot), tropospheric ozone, and methane.

- At the request of CBSS, Danish energy official Hans Jorgen Koch organized a parallel seminar to highlight a study on creating a northern European "Green Valley" involving energy infrastructure interconnections, energy efficiency gains (including modernization of existing inefficient coal plants), deployment of more renewable energy and carbon sequestration and storage technologies, and rehabilitation of existing district heating installations.

#### 17. (SBU) Looking Ahead

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- Lithuania will assume the Presidency of the CBSS for the next year on July 1. Lithuanian FM Usackas noted that while initially the Baltic states were leery of regional groupings like the CBSS as a potential diversion from full EU and NATO membership, "we are now more mature" about regional cooperation and indeed wish to expand it.

-- FM Usackas said Lithuania's priorities for its CBSS presidency include a focus on sharing innovation; cross-border cooperation, and clean environment and safe living conditions for Baltic Sea residents. Encouraging more active participation by observer states as well as integrating the Kaliningrad region (Poland also voiced support for this) and Belarus into CBSS activities were also priorities. The Lithuanian government would host an international conference on radiation protection and nuclear safety in Vilnius on September 24, and conferences on Baltic Sea fish stocks and control and prevention of trafficking in persons in the first half of 2010.

-- The next CBSS Summit will be hosted by Lithuania in the summer of 2010. Observer states are not customarily invited to the biennial summits, we were told, but the decision would be Lithuania's.

-- FM Usackas said Lithuania would like to reduce border crossing times and add Russian citizens of Kaliningrad to a visa-free regime. Russian FM Lavrov and echoed this goal in his intervention.

-- FM Lavrov expressed concern the CBSS had not attracted greater international collaboration. He suggested adding another meeting to the annual ministerial/head of state summit cycle, to be held at the deputy ministerial level. He also proposed CBSS make more effort to reach out to other regional groupings, including the Barents Council and the EU's Northern Dimension. Russia offered to host such an outreach meeting. FM Moeller responded by calling Lavrov's proposal "interesting," noting it would be for Lithuania to resolve as

incoming President.

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